

**STATE OF CALIFORNIA**



**MEMO**

**To: FISCAL COMMITTEE  
VICTORIA RUSNAK, CHAIR  
ANTHONY A. BATARSE, JR., MEMBER**

**Date: July 20, 2018**

**From: TIMOTHY CORCORAN  
DAWN KINDEL  
SUZANNE LUKE**

**Subject: DISCUSSION AND CONSIDERATION OF THE BOARD'S PROPOSED  
BUDGET FOR FISCAL YEAR 2018-2019**

The Department of Motor Vehicles' Budget Office has provided the Board with its expenditure allocations for the upcoming fiscal year. Payroll allowances were adjusted to reflect the current staff positions the Board holds. Operating expense and equipment allowances remain the same, with the pro rata allowance now being charged directly at the fund level per the Department of Finance.

The Board's proposed budget for FY 18-19 is attached along with a five year comparison chart.

The staff recommends that the proposed budget be adopted as it is reasonable and within the Board's financial capability.

This matter is set for full consideration by the Board at the August 13, 2018, General Meeting.

Should you have any questions, or wish further information, please feel free to call me at (916) 324-6197.

Attachment

cc: Ramon Alvarez C., President

**FIVE YEAR COMPARISON OF OPERATING EXPENSE AND EQUIPMENT AND PROPOSED BUDGET**

|   | '17-18 DMV |           |           |           |           |           |                |                          |                                |                       |
|---|------------|-----------|-----------|-----------|-----------|-----------|----------------|--------------------------|--------------------------------|-----------------------|
| Operating Expense and Equipment                               | allotments | 12-13     | 13-14     | 14-15     | 15-16     | 16-17     | 5-year average | 17-18 projected expenses | 17-18 year to date 3rd quarter | 18-19 proposed budget |
| 2050 - Dues and membership                                    | 4,000      | 3,745     | 3,670     | 3,290     | 3,290     | 3,226     | 3,444          | 4,000                    | 3,447                          | 4,000                 |
| 2230 - Library purchases                                      | 10,000     | 7,361     | 7,795     | 7,571     | 5,659     | 8,037     | 7,285          | 10,000                   | 12,009                         | 10,000                |
| 2260 - Minor equipment  | 300        | 35        | 4         | 241       | 344       | 0         | 125            | 300                      | 623                            | 300                   |
| 2270 - Office equipment - rent, maintenance, repair           | 200        | 0         | 0         | 0         | 0         | 0         | 0              | 200                      | 0                              | 200                   |
| 2380 - Miscellaneous general expense                          | 200        | 4,719     | 88        | 88        | 10        | 141       | 1,009          | 200                      | 179                            | 200                   |
| 2391 - Miscellaneous office supplies                          | 7,300      | 4,179     | 5,801     | 2,798     | 4,361     | 4,451     | 4,318          | 7,300                    | 4,570                          | 7,300                 |
| 2395 - Meeting expense  | 2,000      | 2,086     | 425       | 0         | 0         | 375       | 577            | 2,000                    | 667                            | 2,000                 |
| 2410 - Printing   | 3,500      | 2,333     | 2,154     | 1,881     | 1,666     | 735       | 1,754          | 3,500                    | 107                            | 3,500                 |
| 2610 - Postage  | 9,000      | 2,454     | 1,293     | 1,426     | 3,763     | 2,828     | 2,353          | 9,000                    | 2,987                          | 9,000                 |
| 2910 - Travel In-State  | 15,000     | 12,742    | 16,206    | 16,221    | 8,882     | 9,097     | 12,630         | 15,000                   | 13,613                         | 15,000                |
| 3110 - Travel Out-of-State                                    | 2,500      | 0         | 284       | 0         | 2,788     | 1,318     | 878            | 2,500                    | 4,072                          | 2,500                 |
| 3320 - Training   | 3,038      | 1,087     | 2,588     | 1,559     | 1,933     | 1,188     | 1,671          | 3,038                    | 3,265                          | 3,038                 |
| 3430 - Rent - non-state owned building                        | 165,000    | 162,092   | 152,795   | 151,932   | 153,824   | 153,996   | 154,928        | 165,000                  | 116,881                        | 165,000               |
| 3445 - Janitorial Services                                    | 0          | 0         | 0         | 0         | 0         | 0         | 0              | 0                        | 1,320                          | 0                     |
| 3450 - Security services                                      | 550        | 0         | 363       | 0         | 0         | 0         | 73             | 550                      | 0                              | 550                   |
| 3470 - Facilities Planning - DGS                              | 10,000     | 10,066    | 9,022     | 10,122    | 3,152     | 3,321     | 7,137          | 10,000                   | 2,521                          | 10,000                |
| 3820 - Professional services - internal (A.G.)                | 12,000     | 23,185    | 15,471    | 15,398    | 50,411    | 23,964    | 25,686         | 12,000                   | 17,992                         | 12,000                |
| 3940 - Internal Legal - miscellaneous                         | 0          | 0         | 0         | 0         | 0         | 0         | 0              | 0                        | 0                              | 0                     |
| 4020 - Professional services - external (Crt. Rpt.)           | 18,000     | 10,887    | 10,941    | 35,843    | 5,210     | 5,694     | 13,715         | 18,000                   | 1,460                          | 18,000                |
| 4324 - Data processing - software                             | 0          | 0         | 0         | 0         | 286       | 0         | 57             | 0                        | 1,080                          | 0                     |
| 4350 - Data processing - Minor equip.                         | 0          | 0         | 0         | 0         | 0         | 2,264     | 453            | 0                        | 4,939                          | 0                     |
| 4360 - Commercial contracts - interagency                     | 0          | 0         | 0         | 0         | 0         | 0         | 0              | 0                        | 0                              | 0                     |
| 4380 - Pro Rata statewide expense (TBA)                       | 0          | 136,210   | 145,610   | 186,517   | 80,864    | 0         | 109,840        | ***0                     | 0                              | 0                     |
| 4520 - Equipment replacement                                  | 600        | 0         | 0         | 0         | 8,981     | 0         | 1,796          | 600                      | 0                              | 600                   |
| <b>TOTAL O E &amp; E</b>                                      | 263,188    | 383,181   | 374,510   | 434,887   | 335,424   | 220,635   | 349,727        | 263,188                  | 191,732                        | 263,188               |
| <b>TOTAL PAYROLL EXPENSE</b>                                  | 1,362,812  | 1,013,530 | 1,016,752 | 1,040,660 | 998,900   | 1,099,813 | 1,033,931      | 1,362,812                | 827,330                        | 1,362,812             |
| <b>GRAND TOTAL</b>  | 1,626,000  | 1,396,711 | 1,391,262 | 1,475,547 | 1,334,324 | 1,320,448 | 1,383,658      | 1,626,000                | 1,019,062                      | 1,626,000             |
|   |            |           |           |           |           |           | 0              |                          |                                |                       |
| TBA - Pro Rata statewide expense                              | 101,864    |           |           |           |           |           |                | 101,864                  | 101,864                        | 101,864               |
| DMV Administrative charges                                    | 78,000     | 78,000    | 78,000    | 78,000    | 78,000    | 78,000    | 78,000         | 78,000                   | 78,000                         | 78,000                |
| <b>TOTAL WITH ADMINISTRATIVE CHARGES</b>                      | 1,805,864  | 1,474,711 | 1,469,262 | 1,553,547 | 1,412,324 | 1,398,448 | 1,461,658      | 1,805,864                | 1,198,926                      | 1,805,864             |
| NOTE ***TBA announced later in FY 17-18 -Pro Rata (\$101,864) |            |           |           |           |           |           |                |                          |                                |                       |